

Check on State resource utilisation

2759. SHRI R.S. GAVAI: Will the PRIME MINISTER be pleased to state:

- (a) whether the Planning Commission propose to evolve mechanism to keep a check on the State resource utilization and ensure that the funds are spent on the specific plan heads only;
- (b) if so, the details thereof;
- (c) how Planning Commission are monitoring the States performance on this front, at present;
- (d) whether this system is not working satisfactorily; and
- (e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, PROGRAMME IMPLEMENTATION, ADMINISTRATIVE REFORMS, PUBLIC GRIEVANCES AND MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Planning Commission already have a mechanism to keep a check on the State resource utilization and to ensure that the funds are spent on the specific plan head only. States are required to utilize funds in accordance with the Annual Plan Outlays agreed with the Planning Commission. In addition, outlays for certain specific and important sectors are "earmarked". Under the existing guidelines States can divert funds from one scheme to another, as long as the outlays for earmarked sector/schemes are not changed. Normal Central assistance is adjusted/cut in a prorata basis for any deviation from the earmarked outlay as well as shortfall in Plan expenditure with reference to approved or revised approved Plan outlay as per the guidelines.

(c) to (e) Under the present system of review and monitoring, a brief general review on the performance of the States, specially in financial terms, is made at the meetings at the level of Deputy Chairman and the Chief Ministers. A more detailed exercise is done through the mechanism of Working Groups set up under the auspices of Planning Commission. The Working Group set up for major sectors meet to discuss the performance of the previous year and the proposals of the following year including the need for earmarking for particular schemes/sectors. Though the present system of review and monitoring of the States' performance is working satisfactorily, efforts are on to make this a participative exercise with the State Governments in their State Capitals.